Headquarters U.S. Air Force

Integrity - Service - Excellence

Phase IV Operations Transfer (Transition Issues)

Air Force Housing Privatization Lessons Learned Conference

11 February 2004

Brendan Smith – Booz Allen Hamilton
Eric Faulkner – Jones Lang LaSalle

U.S. AIR FORCE

U.S. AIR FORCE

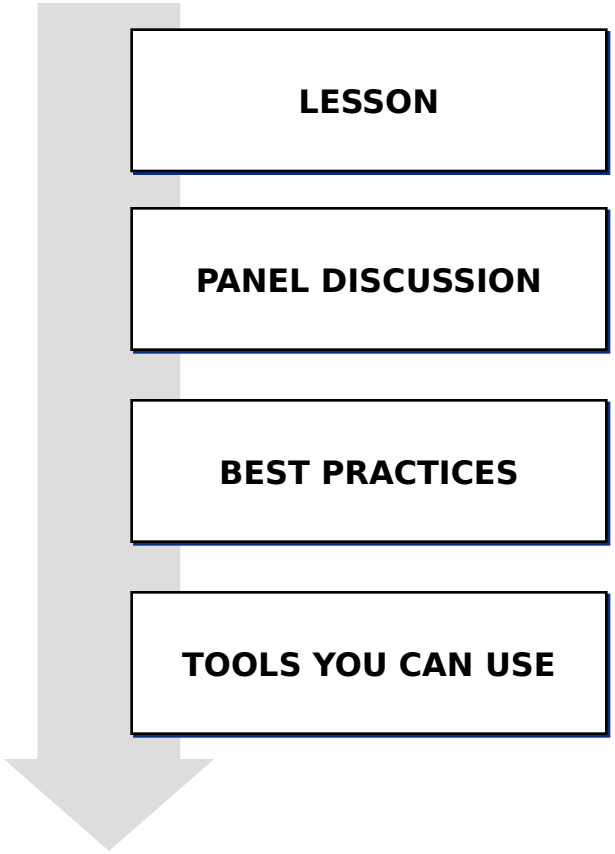
Agenda

- Introduction
  - How We'll Present Lessons Learned
  - What's In It for You?
- Operations Transfer
  - Your New Roles
  - Steps to Prepare for Transaction Closing
- Transition Lessons Learned
  - Property Transfer
  - Publicity
  - Management Handoff
  - Leases and Allotments
- Summary

INTRODUCTION

U.S. AIR FORCE

How We'll Present Lessons Learned



LESSON

- A critical aspect of Operations Transfer
- A single, central theme

PANEL DISCUSSION

- How did you do it?
- What might you do differently?

BEST PRACTICES

- A lesson you don't have to learn the hard way
- Take advantage of peer-to-peer learning

TOOLS YOU CAN USE

- Job aides for you
- Where you can get them

U.S. AIR FORCE

What's in it for you?

- Real life examples
- Experiences from folks who've "been there and done that"
- Tools you can apply
- Training materials
- Resources you can share

OPERATIONS TRANSFER

Housing privatization is a significant transition

TRANSITION

Current State:
Air Force constructed, owned, maintained, and managed housing

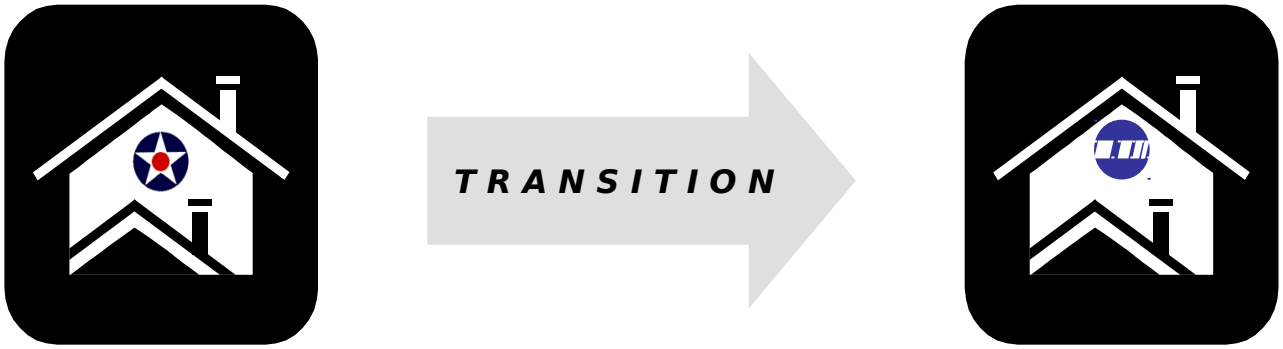
Future State:
Privately constructed, owned, maintained, and managed housing

U.S. AIR FORCE

Operations Transfer is a critical component of a 3 part transition process

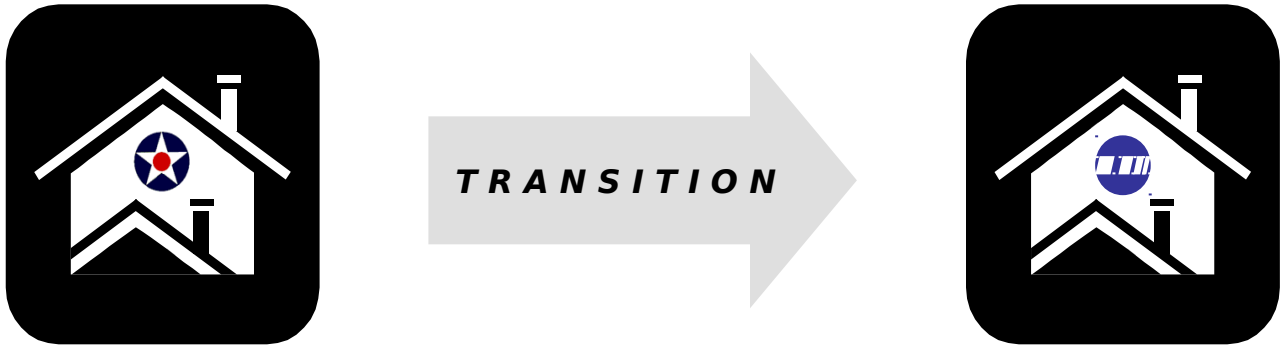
- As your installation goes from Air Force owned family housing to privatized housing, you will need to address the following:
  - **Office Structure** – your new office alignment
  - **Operations Transfer** – ***your new roles*** and the ***steps to prepare for transaction closing***
  - **Training Plan** – your new skills to meet these new responsibilities
- Our focus today will be on the **new roles and activities** associated with Operations Transfer

All parties in housing will see their roles evolve



Housing	Property Manager	Asset Manager
Engineering	Programmer, Designer, Project Manager, Inspector	Reviewer, Surveillance
Tenant	Resident	Renter
Developer	Successful Offeror	Project Owner / Property Manager

The housing office evolves from property manager to asset manager



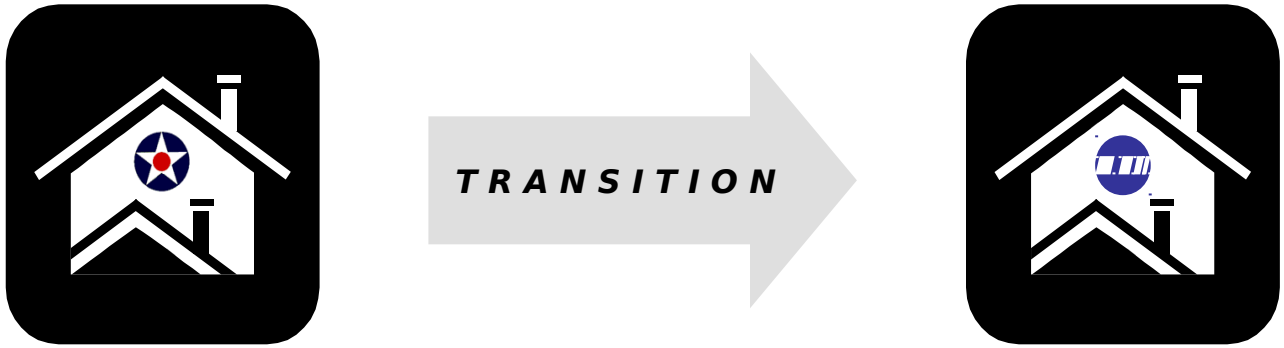
Property Management	Asset Management
• Act as Property Manager • Address people problems • Learn housing skills • Retain tenant files • Manage housing • Follow Government AFIs • Manage records • Generate project budget	• Act as Tenant Counselor • Address project problems and lead the MRC • Learn multi-discipline skills • Gather/Report project data • Manage lease • Follow transaction/legal documents and AFIs • Manage records • Monitor/approve project budget • Assist with site visit, quarterly reports, and loan closing
Maintenance Contracts	**SO Maintenance**
• Inspect contract work (QAE) • Manage maintenance budgets	• Oversee SO's work • Monitor lockbox

The engineering office evolves from programmer, designer, PM, and inspector to project reviewer and project surveillance

Design/Construction Program	Review and Surveillance
• Program/design housing projects • Inspect housing projects • Air Force design standards • Air Force regulations • Maintain ACES	• Review development plans • Oversee Title II or SO inspection • Local design standards • SO proposal • Provide condition assessment report
Utilities and Maintenance Contracts	**Private Utilities**
• Government utilities • Manage/write maintenance contracts • Track facility maintenance • Self Help	• Review utility rate/ compute allowance • SO maintenance plan • Transfer maintenance history • SO Do-It-Yourself Store (possible)

U.S. AIR FORCE

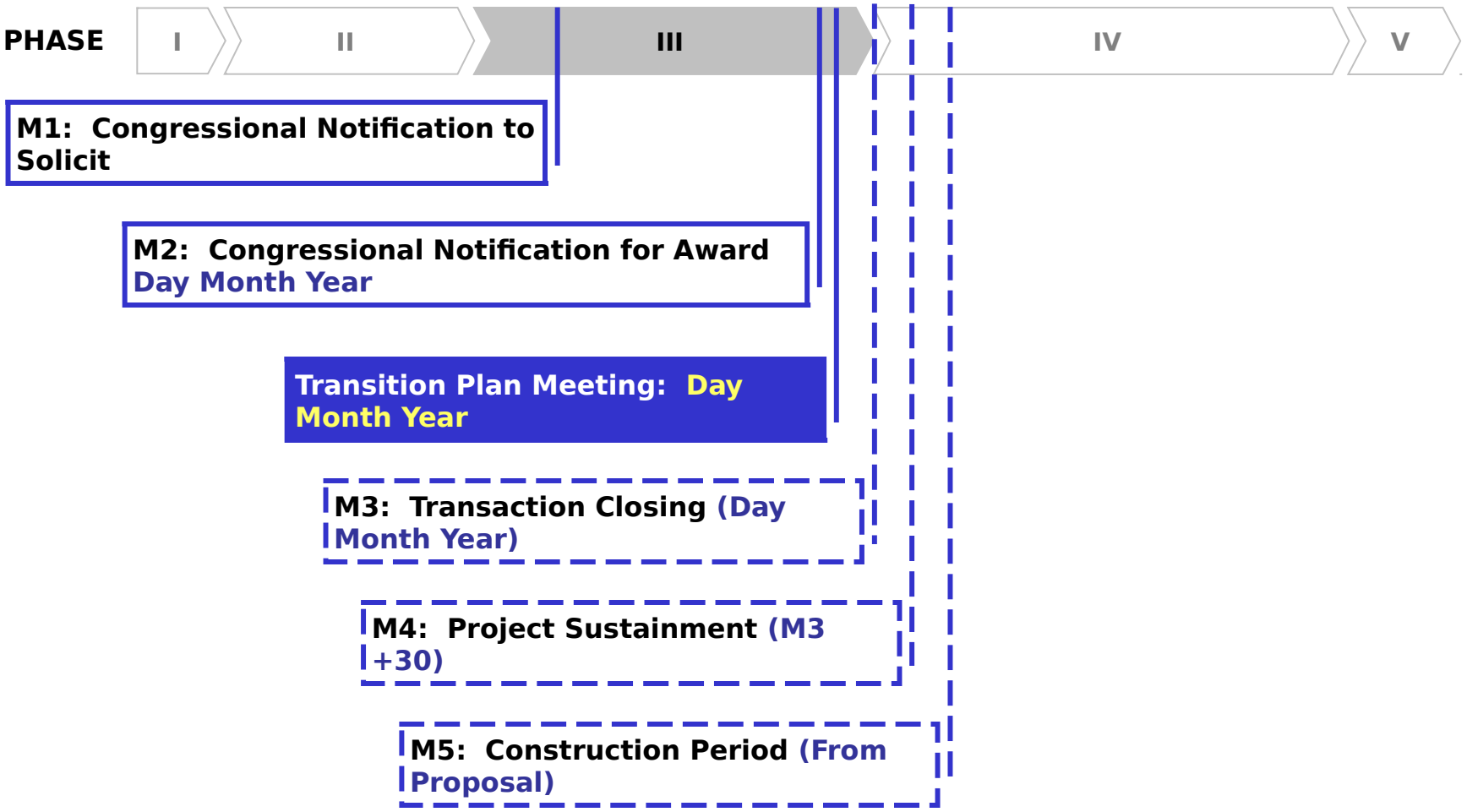
The military tenant evolves from resident to renter



Resident	Renter
• Military family housing • Utilities included • Housing assignments • Contact housing office • Air Force managed waiting list • Air Force resident restrictions	• Private housing • Utilities paid separately • Lease agreement • Contact SO • SO managed waiting list • SO renter restrictions
Emergency Services	**Emergency Services**
• Air Force provided fire, police, ambulance, and force protection	• City provided fire, police, ambulance, and force protection (possible)

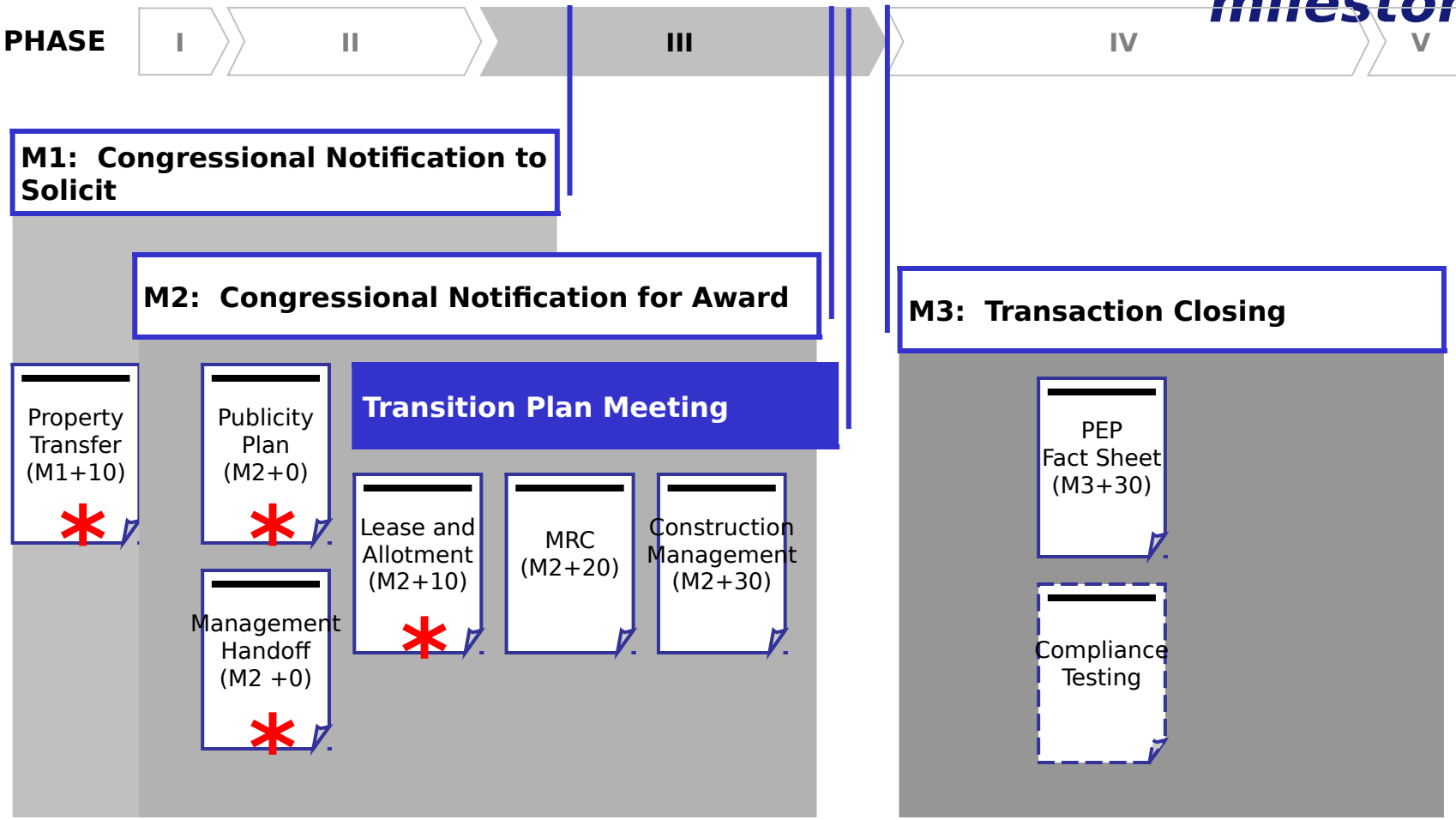
U.S. AIR FORCE

Transition milestones help chart a transition path and gauge progress



U.S. AIR FORCE

Checklists identify transition tasks and distribute the responsibilities to meet milestones



TRANSITION LESSONS LEARNED

U.S. AIR FORCE

Property Transfer: Contracts Amendments

LESSON

- Property transfer includes any action to transfer real property and records (i.e., ACES, work orders, service contracts) after closing.
- Amend the maintenance and service contracts to terminate at transaction closing.

PANEL DISCUSSION

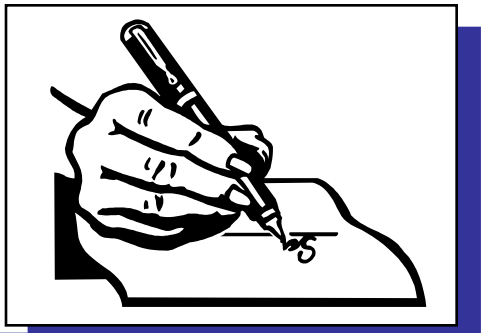
- How many contracts did it affect? Which ones?
- What was the greatest challenge, and why?

BEST PRACTICES

- May be more cost effective to let a maintenance contract run through its period of performance to cover slippage in the closing date.
- May only want to fund contracts incrementally to coincide with closing date.

TOOLS YOU CAN USE

- Checklists
- Policy directives, new job skills



U.S. AIR FORCE

Property Transfer: Condition Assessment

LESSON

- Property transfer includes any action to transfer real property and records (i.e., ACES, work orders, service contracts) after closing.
- Perform physical condition & furnishings/appliance inventory assessments to baseline the property, appliances, and furnishings condition.

PANEL DISCUSSION

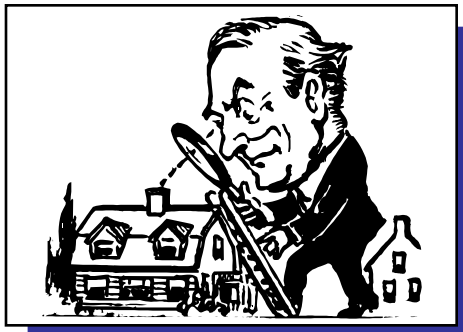
- When did you do it? Who did the assessment?
- Did you do it in conjunction with the Property Owner? If so, was the Property Owner more critical? (What items, paint, appliances?)

BEST PRACTICES

- Furnish a housing inspector to perform assessment with developer.

TOOLS YOU CAN USE

- Checklists
- Policy directives, new job skills



U.S. AIR FORCE

Publicity: Marketing Plan

LESSON

- Includes all communications with privatization stakeholders with emphasis on resident education and assistance.
- Publicize privatization issues via mass mailing, newsletters, news articles, and brochures

PANEL DISCUSSION

- How did you communicate privatization and with whom? How frequently did you communicate?
- What messages did you use and why? What would you do differently? (Use different media, more or less frequently?)

BEST PRACTICES

- Have a current fact sheet for current occupants and provide it to NEW occupants upon move in.
- Since some information can't be released, provide fact sheet with explicit dates on when information can be provided to help with rumor control.

TOOLS YOU CAN USE

- Checklists
- Policy directives, new job skills

U.S. AIR FORCE

Publicity: Conduct Town Hall Meeting

LESSON

- Includes all communications with privatization stakeholders with emphasis on resident education and assistance.
- Conduct forum to explain the privatization program to military tenants and answer generic questions about leases, allotments, and benefits.

PANEL DISCUSSION

- How did you set up the meeting (in theater, off-base)? How many people attended?
- How many meetings did you conduct? What issues did you discuss? How would you approach these differently?

BEST PRACTICES

- Live production on Commander's Access Channel as an option.
- Video record the meeting so you can show it again. Make presentation available on base website (non-secure site)

TOOLS YOU CAN USE

- Checklists
- Policy directives, new job skills

U.S. AIR FORCE

Management Handoff: Plans and Legal Document Review

LESSON

- Includes all resident management services and operations formerly under Air Force Housing Management relinquished to the SO's property manager.
- Review the SO's design & construction management plans and real estate plans & review the legal instruments to understand the underlying documents.

PANEL DISCUSSION

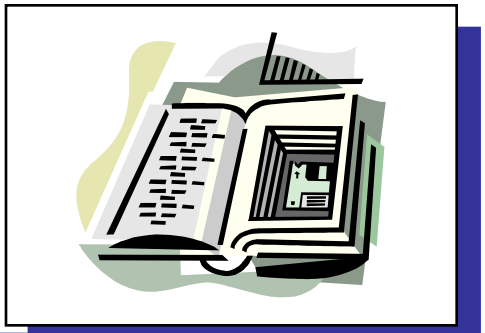
- Which plans were in your proposal?
- Which plan was most relevant to your work? Which did you refer to most often?

BEST PRACTICES

- Conduct via conference call with AFCEE, developer, MAJCOM, and Jones Lang LaSalle (JLL).
- Make use of the JLL checklists as read ahead and task tracker.

TOOLS YOU CAN USE

- Checklists
- Policy directives, new job skills



U.S. AIR FORCE

Leases and Allotments: Allotment Strategy

LESSON

- Includes any physical action, preparation, or task related to the tenants leases, lease signing, allotments, and utility allowance.
- Prepare a strategy to coordinate the start date for BAH allotment and to deal with partial monthly payments.

PANEL DISCUSSION

- How many allotments did you have to process initially? How did you set it up (with finance and the tenant)?
- How did it go? What would you do differently?

BEST PRACTICES

- Make a PC available for access to MyPay with developer.
- Work very closely with finance people. The AF Form 594 and allotment form DD 2558 must travel together to finance.

TOOLS YOU CAN USE

- Checklists, allotment process job aides
- Policy directives, new job skills

U.S. AIR FORCE

Leases and Allotments: Lease Signing

LESSON

- Includes any physical action, preparation, or task related to the tenants leases, lease signing, allotments, and utility allowance.
- Collect signed tenant leases and powers of attorney.

PANEL DISCUSSION

- What forum did you use? (A group forum?) How many people signed?
- How close was this to transaction closing? When did you start the Power of Attorney process? What would you do differently?

BEST PRACTICES

- Have the base LAN administrator place a “pop up message” on all PCs upon login that announces the lease signing.
- Some finance offices may require a specific statement on the power of attorney. E-mail or fax special power of attorney forms or leases to deployed forces.

TOOLS YOU CAN USE

- Checklists, Special POA.
- Policy directives, new job skills

SUMMARY

Key Best Practices for Operations Transfer

U.S. AIR FORCE

	LESSONS LEARNED SUMMARY
Contracts Amendment	Allow maintenance contracts to run through POP to cover slippage in closing date and fund contracts incrementally to coincide with closing.
Condition Assessment	Furnish a housing inspector to perform assessment with developer.
Marketing Plan	Have a fact sheet for current occupants and provide it to NEW occupants upon move in. Provide fact sheet with explicit dates on when information can be provided.
Conduct Town Hall Meeting	Broadcast on Commander's Access Channel and record the meeting so you can show it again and make presentation available on base website (non secure site).
Plans and Legal Document Review	Conduct via conference call with AFCEE, developer, MAJCOM, and Jones Lang LaSalle (JLL) and make use of the JLL checklists as read ahead and task tracker.
Allotment Strategy	Make a PC available for access to MyPay and be certain that the AF Form 594 and allotment form DD 2558 travel together to finance.
Lease Signing	Place a "pop up message" on all PCs upon login that announces the lease signing. E-mail or fax special power of attorney forms or leases to deployed forces.

U.S. AIR FORCE

Additional Sources of Information

AFCEE Housing Privatization Web Site

Air Force Housing Privatization
Lessons Learned Workshop
Monday, February 9, 2004 through Thursday, February 12, 2004
Agenda

http://www.afcee.brooks.af.mil/meetings/lessons/default.asp

Contact Brendan Smith or Eric Faulkner

Brendan Smith, Booz Allen Hamilton

210-244-4277

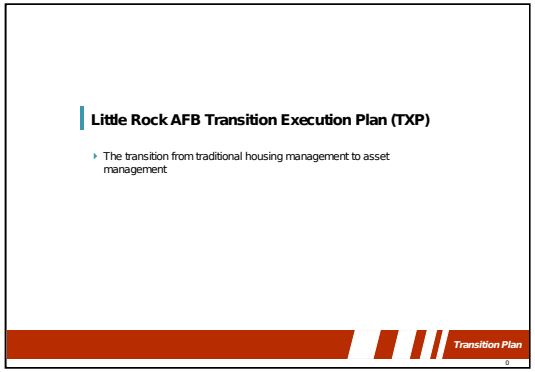
Smith_brendan@bah.com

Eric T. Faulkner, Jones Lang LaSalle

210- 536-6762

eric.faulkner@am.joneslanglasalle.com

Transition Execution Support


Little Rock AFB Transition Execution Plan (TXP)
The transition from traditional housing management to asset management
Transition Plan

Site Visits for Training

Paragraphs in AFI 32-6001, AFH 32-6009, and the housing career training plan relate to similar housing responsibilities

Housing Responsibilities	AFI 32-6001	AFH 32-6009	Housing Career Training Plan
Housing Applications	1.5.23	1A, 1.1, 1.8, 1.31	
Waiting List		1, 1.9, 1.11, 1B	
Housing Assignments	1.5.1, 1.5.19	1.12, 1.17, 1.30, 1C, 1D	B1
Housing Referral	1.5.2, 1.5.3, 1.5.24,	1.23, 1.24, 1.29, 1E	B2
COM & Inspection	1.5.9	1.28, 1.32-1.34, 1G	B3, B4
FM, BAQ, LQA, TLA, Drayage	1.5.10, 1.5.11, 1.5.21	1.18, 1C, Ch3	
Project Input	1.5.5, 1.5.14, 1.5.15, 1.5.18	Ch4, Ch5	B8
Budgets	1.5.20		B7
Tenant Complaints	1.5.6	1.27	
Counseling	1.5.7, 1.5.17	1.25	
Property Management	1.5.4, 1.5.8, 1.5.12, 1.5.16, 1.5.22	1.26, Ch2, Ch7	B5, B6, B7, B9-B12

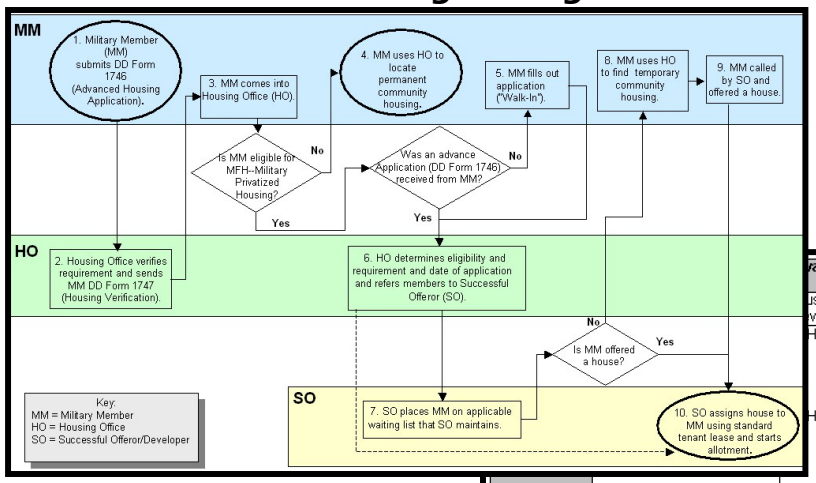
U.S. AIR FORCE

The housing management and asset management core document identifies required responsibilities and skills

Duty 1	Duty 2	Duty 3	Duty 4	Duty 5	Skills
Identify requirements	Monitor/report info	Manage GOQs	Referral program	Meeting representative	Budget
Understood authorities	Contract compliance	Manage UPH	Housing assignment	MRC lead	Operations
Review designs	Review move payments	Manage mobile homes	Community support	Project updates/info	Finance
Oversee construction	Tenant satisfaction	Furniture management	Tenant in-brief		Maintenance
Lead team	PEP reporting	Project input	Tenant feedback		Assignments
Review legal docs	Support program mgr	Oversee contract	Industry liaison		Construction
Close PH project	Track reimbursables	Train staff	Rental partner program		Customer service
Oversee security	Lead team	Review budget	Complaints		Referral
Conduct assessment	Oversee contract	Maintain QIP			Furnishings
Initiate compliance	Review lockbox				Engineering/Architect
Support PM	Validate allowance				Lockbox
Review insurance	Compliance checklist				Acquisition
Train employees	Track furnishings cost				Communication
File allotments	File management				Safety/Security
Review plans					

Allotment Process Job Aides

Job Aid 1: Privatized Housing Management Process


MM
1. Military Member (MM) submits DD Form 1746 (Advanced Housing Application).
3. MM comes into Housing Office (HO).
4. MM uses HO to locate permanent community housing.
5. MM fills out application ("Walk-In").
8. MM uses HO to find temporary community housing.
9. MM called by SO and offered a house.
Is MM eligible for MFH--Military Privatized Housing?
No
Yes
Was an advance Application (DD Form 1746) received from MM?
No
Yes
HO
2. Housing Office verifies requirement and sends MM DD Form 1747 (Housing Verification).
6. HO determines eligibility and requirement and date of application and refers members to Successful Offeror (SO).
Is MM offered a house?
No
Yes
SO
7. SO places MM on applicable waiting list that SO maintains.
10. SO assigns house to MM using standard tenant lease and starts allotment.
Key:
MM = Military Member
HO = Housing Office
SO = Successful Offeror/Developer

Job Aid 2: Types of Available Housing (Base dependent)

		vatized Housing	Off Base Housing
		Using Office/Successful Offeror veloper)	Housing Office
		Housing is available o Military member signs lease o Military member goes to myPay to start allotment/utility allowance (see Job Aid #3 for more details) Housing is not available o Military member placed on Developer's waiting list o Military member obtains off base referral list from Housing Office	• Military member is provided an off base community housing list.
Special Notes	BAH started at losing base, using *AF Form 594. Go to myPay to verify BAH is stopped after government housing is assigned.	SO will provide required allotment information to military member for entry into myPay. Military member may have to pay first month's rent directly to Developer due to 30-day lag time to start allotment.	BAH started at losing base, using *AF Form 594.

*Note: AF Form 594 is used to start and stop BAH. The following table outlines how it is used.

If…	Then…
the military member is *not* receiving BAH at their losing base,	the losing base will use AF Form 594 to start BAH.
the military member *is* receiving BAH at their losing base,	the losing base will verify that the military member is still eligible to receive BAH.

During mass lease signing, it is important to ensure that the person signing the lease and initiating the allotment is either the military member or has power of attorney.

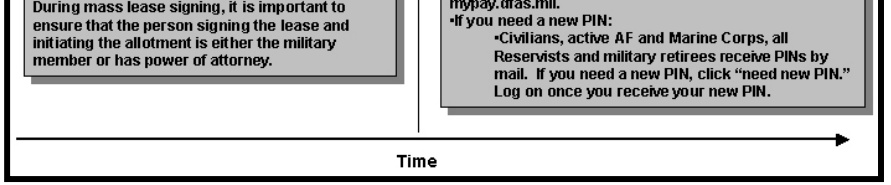
Job Aid 3: Recommended Approaches for Initiating Allotment

After Mass Lease Signing…

It is recommended that the SO be co-located with the Housing Office and the above process (see Job Aid #1) be initiated.

- Once a military member is offered a privatized house and accepts, the Developer should provide an allotment form during the lease signing and the member should initiate the allotment using myPay before leaving the housing office.
- As such, a dedicated computer should be available in the Housing Office for this purpose.

To use myPay:
- **Use your existing EMSS PIN to log on at mypay.dfas.mil.**
- **If you need a new PIN:**
  - **Civilians, active AF and Marine Corps, all Reservists and military retirees receive PINs by mail. If you need a new PIN, click "need new PIN." Log on once you receive your new PIN.**



Checklists

Property Transfer Checklist

Property Transfer Checklist			
Activities	**Task Owner**	**Milestone**	**Date**
LBP Evaluation: Conducts a Lead Based Paint (LBP) Evaluation to document LBP and soil-lead hazards.		M1 – 85	
LBP Evaluation Report: Receive abatement and LBP Hazards evaluation and prepare a Notice and Disclosure of LBP Hazards to provide a baseline condition for property transfer.		M1 – 45	
M1: Congressional Notification to S			
LBP Abatement: Abate the soil hazards if the h abatement is optional, but reporting is mandator			
Contracts Review: Schedule maintenance and c infrastructure) cancellation or extension period			
LBP Clearance: After abatement is complete, r abatement work and generate a clearance rep			
LBP Clearance Report: Collect the installation's report and send it to AFCEE for inclusion in the			
M2: Congressional Notification for A			
Resident Rights: Work with the SO to develop rights during the construction period or assign			
Contracts Amendments: Amend the maintenan closing.			
Condition Assessment: Perform physical condi to baseline the property, appliances, and furnis			
Transfer Maintenance History: Provide conditio including work orders, for the SO's manageme			
M3: Transaction Closing			
Contracts Termination: Terminate maintenance			
Provide Security Procedures: Identify the insta background checks, and expectations during h			
Property Records: Update real property record retained property or if fully privatized, record a			
M4: Project Sustainment			
Activities follow Phase V, Project Closeout opti			
M5: Construction Period			
No activities			

Management Handoff Checklist

Management Handoff Checklist			
Activities	**Task Owner**	**Milestone**	**Date**
M1: Congressional Notification to Solicit			
Allocate Space: Designate office space for the SO (if required in the RFP) setup the housing management office and setup the asset management file system.		M1 +10	
M2: Congressional Notification for Award			
Review Proposed Plans: Review the SO's design and construction management plans (i.e., Community Development, Facility Design and Construction, and Construction Management).		M2 +0	
Review Proposed Plans: Review the SO's real estate mana and Management, Unit Occupancy, Rental Rate Management Replacement, and Reinvestment).			
Review Legal Documents: Review the legal instruments to			
Review Resident Handbook: Review and approve the SO's Chapter 7).			
Reduce Self-Help Inventory: Coordinate the transition sche liquidate their inventory or sell it to the Property Owner for t applicable).			
Meet Property Manager: Meet the property manager to disc understand the nuances of the SO's business and establish government and SO's staff.			
M3: Transaction Closing			
Receive Handoff: Receive the handoff memo with the trans			
Transfer Resident Files: Provide the resident files for SO's			
Collect Documents: Receive copies of all closing document administration office.			
M4: Project Sustainment			
Activities follow Phase V, Project Closeout option.			
M5: Construction Period			
No activities.			

Publicity Plan Checklist

Publicity Plan Checklist			
Activities	**Task Owner**	**Milestone**	**Date**
No contact with residents or SO before Notification to Solicit other than the release of general privatization policy and procedures.			
M1: Congressional Notification to Solicit			
No activities			
M2: Congressional Notification for Award			
Marketing Plan: Publicize privatization issues (i.e., leases, allotments, benefits, programinfo), via mass mailing, newsletters, news articles, and brochures through transition assistance, commander's calls, commander's access channel, clubs, organizati		M2 +0, +30, + 60…	
Conduct Town Hall Meeting: Conduct forum to explain the privatization program to military tenants and answer generic questions about leases, allotments, and benefits. Consider inviting community leaders, local real estate professionals, and schools to a		M2 +11	
Send Periodic Messages: Send periodic notification (i.e., leases, utility payments, maintenance requests)			
M3: Transaction Closing			
Resident In-brief: Present the resident in-brief with F			
M4: Project Sustainment			
Activities follow the Asset Management Compliance			
M5: Construction Period			
Tenant Moves: Notify tenants and coordinate tenant drayage and storage budget.			
Announce Completion: Announce construction com period is complete.			

Leases and Allotments Checklist

Leases and Allotments Checklist			
Activities	**Task Owner**	**Milestone**	**Date**
M1: Congressional Notification to Solicit			
No activities			
M2: Congressional Notification for Award			
Allotment Strategy: Contact other installations to ask how they handled partial (prorated) monthly payments or cash payments for late arriving tenants who sign a lease in mid-month.		M2 +10	
Schedule Lease Intent: Distribute lease agreements for resident signature and remind tenants to acquire a power of attorney for deployed members to allow for the lease and allotment signing.		M2 +25	
Allotment Preparation: Coordinate the start date for BAH allotment (AF Form594, Application and Authorization to Start, Stop, or Change BAH) and schedule the allotment to coincide with the first of the month.		M2 +35	
Sign Leases: Collect signed tenant leases and powers of attorney.		M2 +50	
M3: Transaction Closing			
Allotment Process: Process allotments on the first day of the month coinciding with closing.		M3 +0	
M4: Project Sustainment			
Activities follow the Compliance Checklist.			
M5: Construction Period			
No activities			

Property Transfer Checklist

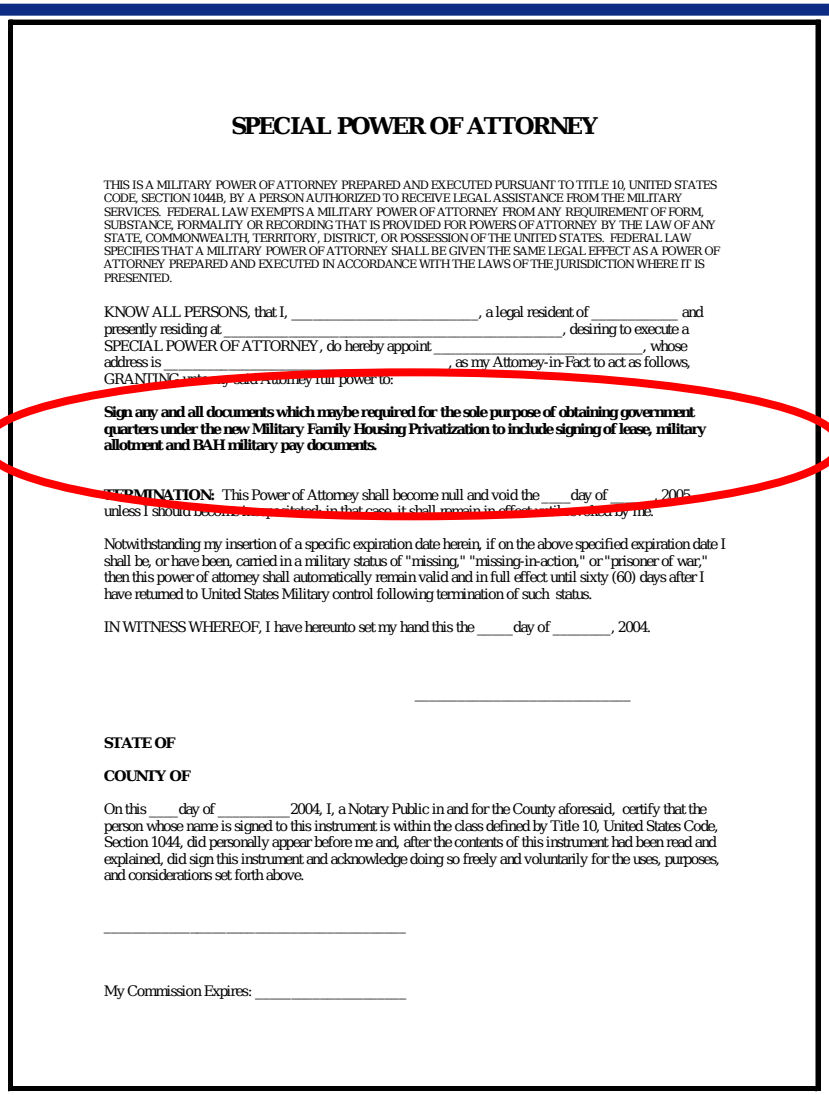
Management Handoff Checklist

Publicity Plan Checklist

Leases and Allotments Checklist

U.S. AIR FORCE

Special Power of Attorney



SPECIAL POWER OF ATTORNEY

THIS IS A MILITARY POWER OF ATTORNEY PREPARED AND EXECUTED PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 1044B, BY A PERSON AUTHORIZED TO RECEIVE LEGAL ASSISTANCE FROM THE MILITARY SERVICES. FEDERAL LAW EXEMPTS A MILITARY POWER OF ATTORNEY FROM ANY REQUIREMENT OF FORM, SUBSTANCE, FORMALITY OR RECORDING THAT IS PROVIDED FOR POWERS OF ATTORNEY BY THE LAW OF ANY STATE, COMMONWEALTH, TERRITORY, DISTRICT, OR POSSESSION OF THE UNITED STATES. FEDERAL LAW SPECIFIES THAT A MILITARY POWER OF ATTORNEY SHALL BE GIVEN THE SAME LEGAL EFFECT AS A POWER OF ATTORNEY PREPARED AND EXECUTED IN ACCORDANCE WITH THE LAWS OF THE JURISDICTION WHERE IT IS PRESENTED.

KNOW ALL PERSONS, that I, _____, a legal resident of _____ and presently residing at _____, desiring to execute a SPECIAL POWER OF ATTORNEY, do hereby appoint _____, whose address is _____, as my Attorney-in-Fact to act as follows, GRANTING [illegible] said Attorney full power to:

Sign any and all documents which maybe required for the sole purpose of obtaining government quarters under the new Military Family Housing Privatization to include signing of lease, military allotment and BAH military pay documents.

TERMINATION: This Power of Attorney shall become null and void the ____ day of _____, 2005 unless I should become [illegible] prior thereto, in that case, it shall remain in effect until revoked by me.

Notwithstanding my insertion of a specific expiration date herein, if on the above specified expiration date I shall be, or have been, carried in a military status of "missing," "missing-in-action," or "prisoner of war," then this power of attorney shall automatically remain valid and in full effect until sixty (60) days after I have returned to United States Military control following termination of such status.

IN WITNESS WHEREOF, I have hereunto set my hand this the _____ day of _____, 2004.

_____

STATE OF

COUNTY OF

On this ____ day of _____ 2004, I, a Notary Public in and for the County aforesaid, certify that the person whose name is signed to this instrument is within the class defined by Title 10, United States Code, Section 1044, did personally appear before me and, after the contents of this instrument had been read and explained, did sign this instrument and acknowledge doing so freely and voluntarily for the uses, purposes, and considerations set forth above.

_____

My Commission Expires: _____

With JAG/Finance recommended language limiting the POA to housing privatization purposes.